

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
(317) 232-9855

**FISCAL IMPACT STATEMENT**

**LS 6820**

**BILL NUMBER: SB 206**

**DATE PREPARED:** Dec 18, 2001

**BILL AMENDED:**

**SUBJECT:** Sewer connection exemption.

**FISCAL ANALYST:** Bernadette Bartlett

**PHONE NUMBER:** 232-9586

**FUNDS AFFECTED:**      **GENERAL  
DEDICATED  
FEDERAL**

**IMPACT:** Local

**Summary of Legislation:** This bill provides that certain exemptions from sewer connection requirements and procedures for objection to sewer rate increases do not apply to a regional sewer district that received a commitment for funding of construction during 2001.

**Effective Date:** July 1, 2001 (retroactive).

**Explanation of State Expenditures:**

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** Currently exemptions for certain property owners and rate review provisions exist for regional sewer districts that began construction or received final bids on construction during 2001. The proposal allows exemptions for a regional sewer district that received a commitment for funding of construction during 2001.

The provision will apply to Steuben Lakes Regional Waste District, which has been planning a \$34 M sewer project for over two years. Due to the size of the project, the engineering will not be complete in time for the District to begin to receive bids or to begin construction before the required deadline. Whether the provision applies to other districts is not known.

Currently, if a district adopts an ordinance increasing sewer charges at a rate that is greater than 5% per year, 50 freeholders of the district or 10% of the district's freeholders, whichever is fewer, may file a written petition objecting to the rates of the district. The district must then hold a public hearing, send notices by certified mail, and publish notices of the hearing in newspapers in each county in the district. The district must then conduct a hearing to determine whether the increased sewer rates are fair. Allowing an exemption from the above process would mean that the districts would not incur expenditures for the above process.

The specific fiscal impact is indeterminable.

**Explanation of Local Revenues:** The provision allows a qualifying district to continue without providing exemptions for property owners from the requirement to connect to a district's sewer system and to discontinue use of a septic tank soil absorption system if the system was installed not more than five years before the district's sewer system's anticipated connection date; the system was new at the time of installation and was approved by the local health department; or the property owner received certification from the local health department that the septic tank soil absorption system was functioning satisfactorily. Exemptions would result in less revenue for the district while the exemptions are in effect. The proposal would increase revenue by not providing exemptions under the specified conditions. The fiscal impact of the provision is indeterminable.

**State Agencies Affected:**

**Local Agencies Affected:** Regional Sewer Districts.

**Information Sources:**